Page 1

NEIGHBORHOOD NETWORKS

Moderator: Michele Higgs May 24, 2005

3:00 p.m. EST

Operator: Good day, everyone, and welcome to this Neighborhood Networks conference call. This call

is being recorded. At this time, I'd like to turn the call over to Ms. Michele Higgs. Please go

ahead, ma'am.

Michele Higgs: Thank you, Jake. Hello everyone, and welcome to this, the Neighborhood Networks

May conference call. The topic for today's call is Center Classification: "What's Start Got To Do

With It?" My name is Michele Higgs, and I am a Technical Assistant (TA) coordinator with

Neighborhood Networks. I work with you to address the technical assistance needs of the

various Neighborhood Networks centers around the country.

Before I introduce our speakers for this afternoon, I want to remind the multifamily Neighborhood

Networks centers that the strategic tracking and reporting tool, also known as the

S.T.A.R.T.business plan, contains resource materials that help you survey your resident's needs

and interests, craft your budget, and frame information on developing an internal marketing plan.

S.T.A.R.T. is also a key in the crafting of partnerships that strengthens a center's profile as a

business and build up a center's resources.

If you have questions about the S.T.A.R.T. business plan, or general questions pertaining to

Neighborhood Networks, please call the toll free Neighborhood Networks information line at (888)

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 2

312-2743. You can also get additional information about the Neighborhood Networks initiative by

visiting the Neighborhood Networks Web site at www.NeighborhoodNetworks.org. Again, the

information line is (888) 312-2743, and the Web site is www.NeighborhoodNetworks.org.

I also want to remind listeners that an audio and verbatim transcript of this call will be made

available on the Neighborhood Networks Web site in about 2-weeks.

Today, however, our plan is to help you understand the process of center classification, and to

help you learn how you can bring your centers into compliance with the guidelines. Providing

benchmarks with center programming and staffing, partnerships, technology, financial

sustainability, the center classification system has been developed to establish minimum

achievable standards for centers to insure their effectiveness in creating programs and services

to support the self sufficiency of their residents.

There are three levels of achievement in the center classification process: designated, certified,

and model. And the S.T.A.R.T. business plan plays a key role in advancing through each level.

Now, members of the program development staff are with us today to explain the process and

take your questions. But because this is such an important topic, and we are bringing it to you for

the very first time, we have a VIP on board to introduce the concept, a very important participant,

that is. We will have some opening remarks from the creative and tireless National Director of

multi-family Neighborhood Networks program, Delores Pruden. Delores, are you with us?

Delores Pruden: I'm with you. Thank you, Michele, for that great introduction.

Michele Higgs: You're welcome.

Delores Pruden: Hello to everybody, and thank you for joining us on this call today. As you might have

been able to tell from (Michele's) voice, we are very excited to introduce you to this center

> Confirmation # 1246002 Page 3

classification system. She has briefly described what those classification levels will be, and you'll

hear more about that later. But I just wanted to take a few minutes to say to you that this process

has been in the works for a couple of years now. We've been discussing and talking about it, and

talking with many of the HUD Neighborhood Network Coordinators because we felt a need to be

able to add more structure to the Neighborhood Networks initiative.

We have met with many partners, and partners always ask us, you know, how -- we want to work

with the model centers, how are your Neighborhood Networks centers structured? And so many

times we were able to really only refer them to the centers that had come to our attention by

some means or another. But we think that with this classification system, or rather we know with

the classification system, all centers will have the opportunity to be classified at the various levels.

Not only will this add structure to the initiative, but it will also benefit centers in that they will be

able to demonstrate, you know, their achievements to everybody. So we're just real excited

about it, and hope that you're going to get excited about it.

But this is an introduction to it. Don't think that we're going to stop talking about it or stop showing

you or demonstrating to you how you can achieve these different classification levels, and how

you can advance from one level to the next. We are introducing it today, but we will also be

talking about it again at the conference, and then Stacy's going to tell you when she's going to --

we're going to launch it in S.T.A.R.T. for you. So this is -- this is really a beginning.

You know, we are -- we are also excited this year because this is our 10th anniversary year, so

Neighborhood Networks now has been in existence 10 years, you know, we started in 1995. And

we think that this is an appropriate way to go forward for the next years in that we now will be

able to talk about our centers based on, you know, their levels of achievement. And I've said a

little bit before about partners; but partners, you know, when we -- when I first started in this

position a few years ago, I really was looking for partners who would help the centers most in

need of help. Well what I quickly learned is that partners really want centers that are doing very

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 4

well already, and as much as we begged and begged them to also take on centers that needed

the help the most, they always wanted to be associated mostly with the centers that really had it

all together already.

So this way, hopefully we'll be able to identify more centers that have so much to show, and so

much to demonstrate to everybody what they can do. So we are excited. We hope that, you

know, you're going to get excited about this. We thank you for your patience in waiting for us to

start the call. We were trying to get as many people on the call as we could before we started.

But now I'm going to turn it over to Vickie and we're going to have questions and answers at the

end, so I'll be here if you want to ask me anything in particular. But, we have some real experts

on the line. Not only when I said we worked on this for a couple of years, it's not just me, it's a

whole lot of people who have been trying to put this stuff to paper, and also to get our system

ready to accept it so that you can use the S.T.A.R.T. system to do it.

So, Vickie, are you ready to take over now?

Vickie Schachter: Yes I am, Delores. Thank you very much. And I enjoyed listening to your remarks. I

hope that everybody who's listening in today will share our excitement about center classification.

It's a very historic thing in the history of the Neighborhood Networks initiative, because multiple

years of thought have gone into the creation of this system of classification, as Delores has

already alluded.

It is a benchmark of organizational maturity that some classification system has been designed

and developed, and is about to be implemented. It's also significant in so far as there's a mass of

centers exhibiting enough variations between and amongst themselves to allow for differentiation

of types, one from the other. And it's indicative of a social consciousness and the way centers

are viewed both internally and externally that we do this.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 5

Again, it's the mark of organizational maturity that we are now able to move forward with the plan

for classification. Our classification scheme establishes three categories of centers, level one, or

designated centers; level two, or certified centers; and level three, which will be known as model

centers. Designated level one centers, have established minimum achievable standards for

Neighborhood Networks centers. And this designation denotes that the centers -- that those

centers have the tools leading to effectiveness in creating programs and services to support the

self sufficiency of their residents, and the sustainability of the center.

Designated centers must have a HUD approved business plan, preferably one using the Strategic

Tracking and Reporting Tool, known as S.T.A.R.T. They must be operational, and they must

have at least one computer with Internet access.

Certified, or level two centers, require that -- center classification requires that the center be

operational for 12 consecutive months, and have received HUD acceptance and approvals for the

assessment section of the S.T.A.R.T. online business tool.

Certified centers have achieved and exceeded designated level one status, they use S.T.A.R.T.

for their business plan, and they actively operate programs designed to support resident self-

sufficiency.

The model, or level three, center classification, is based on a combination of achievements of

both designated level one and certified level two standards. And, additionally, achievement of

mandatory model standards. Model standards have been developed specifically for the

Neighborhood Networks initiative, and model standards -- these model standards will be

incorporated into the S.T.A.R.T. online business tool.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 6

Model Neighborhood Network centers will serve for us as centers of excellence for this initiative.

And I'd like to very quickly go over what some of the model standards are. There are nine model

standards that have been developed, seven of these standards are required to achieve level

three-model status, and the other two are optional standards. So I'm going to very, very quickly

go over these, and I'm going to talk fast.

Standard one requires that the center be operational for 3-years. Standard two, the center

conducts resident surveys at least once every 3-years, and the survey results are used to guide

the choices of programs and services at the center. Standard three, training and other programs

shall include written curricula or program guidelines. Standard four, the center has a system that

tracks, evaluates, and reports the results of the center's program activities to improve program

performance and outcomes, and increase resident participation.

Standard five, the center is actively engaged with a minimum of two partner entities. Standard

six, the center engages in fund development, that fund, not fun, but fund development to increase

financial sustainability. Standard seven, the center environment includes high-speed Internet

access, up-to-date and working equipment and operating systems, accessible work space and

equipment, security features have been implemented, the center has been operational -- the

center is operational for at least 30 hours a week, and the center is attractive and clean.

The two optional standards are as follows: The center has obtained 501(c)(3) status, or is

aligned with a 501(c)(3) organization. And the last standard, which also is optional, a board of

directors or a similar body provides center governance.

So as you see, each category has certain requirements. However, initially, and coming really

soon, all centers will be placed into a level one designated classification. A discreet --few will be

automatically placed into level two certified status because they already meet the requirements of

that -- of that status.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 7

And we envision that centers will want to work their way up this classification ladder. If you have

been listening, you will -- you will -- you will have heard that a S.T.A.R.T. business plan will be

required to move up the ladder from level one designated status to model status.

Now a word about level three model standards, they are really quite modest as compared with

the standards used to assess typical human service non-profit organizations. If any of you have

been involved in the certification or accreditation process in other industries, you will recognize

that our model standards are designed for our centers, and again, they are modest and

achievable.

We are very pleased that HUD is making centers a unique selling proposition in the near future,

and I'm going to ask Steve McClaine to provide us with some information about that unique

selling proposition – Steve.

Steve McLaine: Thanks, Vickie. HUD is excited about this process, and also excited about the

opportunity to show off the accomplishments that all of you have helped to create in your centers

and the residents that you work with.

So, along those lines, HUD has developed a grand fathering period, or a window of opportunity

where centers will be allowed to apply directly for model status level three. Now that application

process will be enlisted through the Strategic Tracking and Reporting Tool. So that's in a very

important step, if you're not familiar with S.T.A.R.T., you can certainly contact our toll free

information line to get information about S.T.A.R.T., because that's a crucial piece as you move

up the classification ladder.

Now, as Vickie mentioned, in late June, there will be a grand fathering designation where all

centers will begin at the same level of designated level one. This is to insure that the process is

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 8

legitimate, and that all centers have the opportunity to start from the same foundation. Very

shortly after that, centers that already satisfied the level two requirements that were initially

mentioned, will be subsequently classified as certified centers. And those centers at the certified

level will be allowed to apply for model level three status. This window of opportunity will be open

until December 31st, 2005.

The key aspect of the window of opportunity is that the model standard one, regarding the period

of operation will be adjusted until December 31st. Now as was mentioned previously, normally

you will -- you would -- you would have to be operational for 3-years; in addition to that, you would

have to be a certified center for 2-years, and to document that period of operation, you would

need one HUD approved business plan, an updated S.T.A.R.T. business plan, and three HUD

accepted assessment reports, which are also completed via the Strategic Tracking and Reporting

Tool.

During the window of opportunity, that standard has been adjusted. Centers will still have to have

been operational for 3-years, but they will only need one HUD approved S.T.A.R.T. business

plan, and one HUD accepted assessment report. The other model standards that were listed,

two through seven, will still have to be met as listed. But this is an exciting opportunity for those

of you who were following the checklist that Vickie was reading, and saying to yourself, well we

do that, we do that, we do that, and you are in position to immediately apply for the celebrated

model status.

And we want to talk about a little bit about why these classifications are important, and the benefit

that centers will receive by applying for these advanced classifications. The first of which is

successful operations. These classifications and standards have been developed based upon 10

years of delivering technology access and other resources for multi-family communities across

the country. They weren't developed in a vacuum, they were based on standards such as yours

that have provided us with information on what works, and how it works. So we wanted to

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 9

incorporate those activities and those standards into our standards to give you a sense that if you

follow these standards, and that if you -- if you have accepted the responsibilities that are aligned

with these classifications, then you are more likely to experience success in aiding your residents,

and increasing the market value of the property where your center is located.

Another benefit is rewards. Now we will be providing special incentives for advanced

classification levels, such as opportunities to be identified on a national Web site, chances to

serve as special pilot project sites, special recognition during Neighborhood Networks Week, and

highlights in Neighborhood Networks publications. We will also be developing special tangible

awards that you can display in your centers, and they will be on display at the national

conference.

In addition, once you receive these classifications, you can use them in your own public relations

and marketing activities by referring to yourself as a designated, certified or model center, it will

certainly assist you in building relationships in your surrounding community, and seeking

additional partnerships and other development opportunities.

The third benefit is identity. All of the centers involved in Neighborhood Networks, together make

up a national initiative of like-minded organizations that are committed to the goal of empowering

residents of FHA insured and assisted properties in the surrounding communities. We know that,

and we want the rest of the world to know that. So by buying into this classification process, you

are all indicating a commitment to achieving model standards, to achieving excellence, and that

certainly assists us in reaching out to other national partners and other national organizations,

and showing that our organization and the Neighborhood Networks initiative as a whole is

committed to achievement.

The fourth would be recognition. As Delores mentioned earlier, we want to offer the opportunity

to recognize all of the hard work that you are all doing out there, and to provide you with

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 10

incentives to continue to improve. The classification will provide you with instant peers that you

can network with to share different programs or services, and also provide you with examples of

model centers that show the potential and possibility of what your center can be and should be.

So you can look to them and ask them for advice as well, and to -- in terms of determining how

your center can improve even more.

So, we are definitely hopeful that these are exciting to you, and the incentives that we are offering

will be exciting in terms of helping you to apply for the advanced status. Now as I mentioned

earlier, the -- once the plan is implemented, there will be specific designations that will be

automatically conveyed onto the centers. And so we have Stacy here with our systems team to

do -- to explain to you exactly how that process will work, and how you will be notified of your

classification -- Stacy.

Stacy Jones-Speight: Thank you, (Steve). Good afternoon, everyone. I'll be discussing S.T.A.R.T.

system capabilities in support of center classification. I'll begin this discussion with a description

of systems "grand fathering" of centers to level one designated status. On or about June 27th, a

S.T.A.R.T. system program will be executed by the Neighborhood Networks contractor. This

program will inspect center database records, to determine what centers are existing and

operational. Centers that are determined to be existing and operational when this -- when the

program executed - executes, will be grand fathered, and automatically the database will be

updated to reflect the center as level one designated status.

The Neighborhood Networks S.T.A.R.T. administrator, who's a member of the contractor staff,

will then send the center contact, and designated Neighborhood Networks coordinator, an e-mail

informing them of the center's designated status.

Now on to grand fathering of centers to model level three status. From about June 27th through

December the 31st, 2005, the rules for centers to be classified as model level three status will be

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 11

relaxed from the standard rules, which we have just discussed. The requirements during this

period are that the center must have achieved the certified level two status, and this will happen

automatically. Centers will automatically be classified to this level, which I will explain shortly.

Centers must be operational for three consecutive years, center must have an approved

S.T.A.R.T. business plan, the center must have one accepted assessment report, and the center

must have achieved model standards two through seven, which Vickie described for you

previously.

Centers submitted -- the center will submit a model three -- a model or level three request form,

and it will go through the typical review process, which involves approval by the designated

coordinator, and the Neighborhood Networks director. First a center will use S.T.A.R.T. to submit

a model or level three-classification request form. Automatically the system will send an e-mail to

the designated Neighborhood Networks coordinator informing them of the center's request.

The coordinator will then inspect the center's request to determine whether the center should be

classified as model or level three status. After the coordinator reviews the request, the system

will enable the coordinator to send an e-mail to the Neighborhood Networks director, Delores,

requesting her review of the center's request for model status. After Delores' review and

approval of the center's request, the database will be updated, and will indicate the center as

model status.

Upon Delores' approval of the center's request, the system will automatically send an e-mail to

the Neighborhood Networks S.T.A.R.T. administrator informing him of the center's achievement

of model level three status. Finally, the contractor will send a formal congratulatory certificate of

model status to the center.

> Confirmation # 1246002 Page 12

Now on to regular processing. And I'll first discuss automated processing of centers to

designated and certified statuses. On a nightly basis, the program will execute evaluating centers

that have not yet been classified, yet are qualified for designated status, as well as it will evaluate

designated centers, determining whether they are qualified for certified level two status.

When a -- when the program locates centers meeting the qualifications for promotion to

designated or certified status, it will automatically update the database with the center's new

status, and generate an e-mail to the centers informing them of their new classification. To insure

that the HUD Neighborhood Networks Coordinators are updated, they will also be sent a copy of

the classification e-mail.

Now onto regular processing of centers to model or level three status. While the standard

requirements for achieving model status during regular processing are more extensive, which

Vickie just explained, the step-by-step review and approval process is identical to the review

process for model centers during the grand fathering period. Again the review process will be as

follows: Centers must submit a request, generating an e-mail to their designated coordinator, the

coordinator will review the request, approve it, and the system will enable them to send an e-mail

to Delores regarding her need to review the center's request for model status.

Upon Delores' approval, the system will enable her to send an e-mail to the Neighborhood

Networks S.T.A.R.T. administrator, informing him of the center's achievement of model status.

The contractor will send a formal congratulatory certificate of model status to the center.

Steve McLaine: We would also like to mention that we understand that this is a major change in

Neighborhood Networks policy, and we understand that we are providing you with a lot of

information. As Delores said, this is only the introduction, we will be conducting additional follow-

up, there will be a general session at the national conference, hopefully you will all be attending

there, and we can provide additional materials at that time. We'll also be developing printed

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 13

materials that we can send out to centers that will explain the characteristics of the different

levels, and the policies and the application process for advancing to different levels.

So we want -- we understand that this is a lot to digest, and this is just the first step in that

process, so hopefully if you have any questions, we can do our best to answer those now, and we

will continue to develop and pass this message along to all of the Neighborhood Networks

centers across the country.

Michele Higgs: Hi, Michele back here. Jake, do we have anyone on queue for call?

Operator: If you have a question on today's call, you may signal by pressing the star key followed by the

digit one on your touch-tone telephone. Do keep in mind that if you are using your speaker

phone, please make sure the mute function has been turned off to allow the signal to reach the

equipment. Once again, that's star one if you have a question.

And we'll take the first question from Presby Homes. Ivan Hurt?

Ivan Hurt: Yes.

Operator: Go ahead.

Ivan Hurt: How is the certification the same for a multi-family and also senior properties? Or are there

different classifications based on what type of property you are, or where your center is located?

Steve McLaine: No, there's only one process that we are incorporating for all multi-family, all centers

under the Neighborhood Networks initiative, so they -- there will not be -- it will not differentiate

depending on the type of property, there's only one process.

Confirmation # 1246002 Page 14

Ivan Hurt: Thank you.

Steve McLaine: Thank you.

Operator: We'll now move to a question from Emeri Ndukwe with Famicos Foundation.

Emeri Ndukwe: Yes, my question is I've listened to everything that has been enumerated about this

classification. Is there any place that we can go to read them, or are you going to send us the

information so that we will digest this thing, because it's a whole lot of information that we're not

able to I take down as notes?

Steve McLaine: Yes, we understand, that is -- that it's a lot of information. It was a long process in

developing all the information, so we're definitely familiar with the length of it, and we want to

make sure that you all can understand it fully. So we will be following this call up by forwarding

printed materials and having materials posted on the Neighborhood Networks Web site at

NeighborhoodNetworks.org in the near future.

Emeri Ndukwe: Okay, thank you.

Steve McLaine: Thank you.

Operator: And at this time, there are no callers in the queue. However, if you would like to signal, press

star one at this time.

Michele Higgs: Folks, Michele here, I had the question that the gentlemen just asked, as I was listening

to the density of the information that we were presenting, and it's good to know that there will be

something available in print, because I think if after this call if folks can, you know, refer to

something, it'll help go a long way toward helping this to sink in.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 15

But my question is about the role that the HUD Coordinators will play in assisting their

Neighborhood Networks centers with process. I take it that will be addressed during the

conference. But is there anything specific for those folks to be mindful of? Or is it specific to the

center directors to deal with this process.

Steve McLaine: Well certainly the HUD Coordinators will play a major role in different aspects of the

process. Additionally, they will help in developing passing on the information that we provide to

them about the process. Certainly they may need to provide information regarding S.T.A.R.T.

and how centers can receive assistance with the S.T.A.R.T. business plan.

In addition, they will play a direct role in terms of working with centers as they apply for advanced

level status, particularly level three, they will play a major role in approving that model

designation.

Operator: And we have a question from David Kolar from U.S. Department of Housing.

David Kolar: Would someone please discuss the criteria of a HUD accepted assessment report? Who

does it? Is it a visit, or online, or what?

Vickie Schachter: I'd be glad to address that, David. That is in S.T.A.R.T., and it's online.

Michele Higgs: So just to clarify, that's in the S.T.A.R.T. plan.

Vickie Schachter: It's in the S.T.A.R.T. tool.

Michele Higgs: So online, yes.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 16

Vickie Schachter: And it's to be completed on an annual basis.

Michele Higgs: Okay. Does that help?

Vickie Schachter: And just while I'm talking, since I have the floor, or the table at this point, we really

encourage all of our listeners to begin their S.T.A.R.T. business plan so that we can have your

updated e-mail and telephone number, and fax number. One of the ways that we can insure

conformed and correct information, is when our centers do a business plan in S.T.A.R.T. They

have an opportunity to update, modify, or otherwise correct their profile, and that gives us the

tools we need to get the information out to you, instead of to the e-mail address you used three

years ago that belonged to your brother-in-law.

So we encourage you to take a look at S.T.A.R.T., and to update your profiles whenever possible

so that we have correct contact information. That's the only way we can get information out to

you.

Operator: Now moving to a question from Mary Frances Byrd, U.S. Department of HUD.

Mary Frances Byrd: Yes, I want to ask you something. You're saying for June 27th in the system level

one, but I believe Michele -- I mean we're scheduled in Houston for August training, August 17th,

18th, and 19th. Why can't it be the end of August when people would have the opportunity to get

adequate training?

Michele Higgs: I'm trying to understand, your question is about the timing of the training on this

process?

Mary Frances Byrd: At a level one, in order to get level one, June 27th is a deadline. Does that ...

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 17

Stacy Jones-Speight: Actually that is when the system will grandfather centers, in other words require

minimum qualifications for level one. After June 27th, the regular requirements come into play.

Mary Frances Byrd: Why can't it be the end of August?

Vickie Schachter: Mary Frances, I think that -- what you're having done on -- at the end of August is

training that's going to be carried out by technical assistance specialists on site for you, and for

some of your office staff, as well as some of the centers nearby, if I'm correct.?

Mary Frances Byrd: Well we have the information technology room reserved for that time so that they

can come here, and it can be coordinated and integrated here.

Vickie Schachter: And center classification will be one component of the information that will be

discussed at that August training that will be held for Houston.

Mary Frances Byrd: So June 27th is chiseled in stone?

Vickie Schachter: Well June 27th is for the whole movement, the whole initiative. You're -- but you're

going to be getting your HUD staff training that you're referencing is taking place in August.

Some will be having that training even later than you.

Michele Higgs: I think -- I think the question is that there's nothing magical about -- at that point in June,

it's just saying at that point everything turns over, and everybody becomes a designated center.

At the time that you will be getting your technical assistance visit Mary Frances, we will go into

more detail discussing this process, and then we will see at that time, you know, if one of your

centers are ready to move into the next level. But there's nothing -- I don't want to say punitive,

but there's nothing special about the June date as opposed to the August date, you will be getting

the information or additional information about the process during the technical assistance visit,

but nothing will change for your centers from June through August. Is that helping?

Mary Frances Byrd: What about some of the centers that may not be in S.T.A.R.T. yet? In other words,

explain exactly the level one, they have to be in S.T.A.R.T. as far as what?

Vickie Schachter: No, they don't have to be in level one for S.T.A.R.T..

Michele Higgs: They just have to have a business plan for level one.

Vickie Schachter: Correct.

Mary Frances Byrd: Because I know the earlier centers, a lot of them, until 2005 were paper.

Vickie Schachter: Mary Frances, it would be preferable if everybody had a S.T.A.R.T. business plan,

but for level one designation ...

Mary Frances Byrd: It does not require that.

Vickie Schachter: ... would prefer a S.T.A.R.T. business plan, we will accept a paper business plan.

Mary Frances Byrd: All right. Because I had been sending up, you know, those copies. All right, thank

you very much.

Vickie Schachter: Very welcome. And you can call us on the toll free anytime if you have any additional

questions.

Mary Frances Byrd: Thank you.

Vickie Schachter: You're welcome.

Michele Higgs: In August.

Operator: At this time we have exhausted all of our current questions. I do want to remind you, it is star one if you do have a question. And we'll pause for any further questions.

Michele Higgs: Thank you. No one else on queue?

Operator: We just had a couple join. And we'll take a question from Osena Ogungbe, Lincoln Lutheran - sorry about that.

Michele Higgs: Great.

Osena Ogungbe: What kind of information do you require for the S.T.A.R.T. business plan?

Michele Higgs: Vickie, you want to take that one?

Vickie Schachter: Sorry, I didn't hear that.

Michele Higgs: I think she was asking what kind of information do we require for the HUD business -- I mean the S.T.A.R.T. business plan. It is a business plan that would have the same kind of information that your paper plan would require, like your mission and a budget.

Osena Ogungbe: Yes, I made that before, but my understanding is that there are still some information required, and I don't know what that information would be.

Michele Higgs: Have you -- have you been at all briefed on the S.T.A.R.T. business plan? Have you gotten the workbook? Do you -- have you gone to the site?

Osena Ogungbe: Yes, I've been to the -- I've been -- yes, I just created a profile ...

Michele Higgs: Okay.

Osena Ogungbe: ... last week, which I submitted.

Michele Higgs: All right.

Osena Ogungbe: ... It has just been approved today.

Michele Higgs: Great. Now the next step is to start working on your plan.

Steve McLaine: We can ask someone to contact you and work with you to help you enter that information into S.T.A.R.T.

Osena Ogungbe: Actually I'm working with Luticia.

Michele Higgs: That's correct.

Osena Ogungbe: Okay, yes.

Michele Higgs: Yes, that's true.

Confirmation # 1246002 Page 21

Osena Ogungbe: ... called and left me a message today, I haven't been able to call her back.

Steve McLaine: Great, she is part of our staff here, and she is very good at helping, so she will definitely

be able to answer any questions you have, and will be willing to work with you to get that

S.T.A.R.T. plan completed.

Osena Ogungbe: Okay. Yes, thank you.

Michele Higgs: Okay, you're in a good place with Luticia, give her a call.

Osena Ogungbe: All right, thank you.

Michele Higgs: Sure.

Operator: And now a question from Michele Porter with HUD.

Michele Porter: Hi, my question is more or less, I know you said something about the grand fathered as

far as the classification, but if there are centers out there that already exist, and they haven't --

they don't have a business plan on -- in the system -- in S.T.A.R.T. right now, and this is the

process they're going to, but their system -- their centers are already existing, and have been

existing for the past five or 10 years, this is what I'm -- you know, I'm coming against right now

where I have, you know, centers that already have computer learning centers already existed.

And I'm trying to get them aboard, and you know, to become Neighborhood Network centers, and

as far as this classification, where would they fall once they submit their business plan? Would

they -- would they automatically be a level three classification, or a two? Because they really

wouldn't be a one.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 22

Steve McLaine: Well it would depend on their level of operation. The initial designation period is

designed to incorporate all Neighborhood Networks centers existing currently, wherever their

current status is, it's -- and that would -- that's what we mean by grand fathering, everyone is

accepted as a designated center on that date.

Now after that date, new centers that open will have to meet the designated requirements to be --

to be classified as designated. But all existing centers will receive that classification regardless of

whatever level of operation their center currently possesses. Now in terms of additional levels-

for certified, once they complete their HUD approved business plan, if they've been operational

for 12 months, and if they complete a center assessment and evaluation through S.T.A.R.T., then

they could move up to certified status.

Michele Porter: Okay. Now as far as a coordinator, that role as far -- I mean do I have any input as far

as that classification? Or is that just all designated by your office, or your -- whatever you guys

are?

Steve McLaine: Thank you. We ...

Michele Porter: I'm sorry.

Steve McLaine: ... your input will come ...

Michele Porter: sorry

Steve McLaine: ... at level three status, the application for that model level would go through you, as

well as the national director. In terms of the first two status, no, it's an automatic process based

on the system, and we wanted to do that to keep the system legitimate, and to make sure that the

certification process is the same for all centers involved.

Michelle Porter: Okay, that's it for now anyway.

Michele Higgs: Okay.

Michele Higgs: Jake, is there anyone else on the line?

Operator: There are no more questions in the queue. I'll turn it back over to you, ma'am, for closing remarks.

Michele Higgs: Thank you. I think we've -- as we can tell from the questions that we've received, you know, folks are thinking about this, but they still need some backup information, and I think it'll be very helpful to get some more material in print that they can go back and revisit. While we wait for others to join us, do you guys have any more remarks that you'd like to make, given the questions that we've received? Anything -- any additional comments?

Steve McLaine: Well we -- along those lines, we talked about following up on the center certification during the general session at the national conference. So we want to remind everyone about the national conference. So if you'd like further information, one way to receive it is to go to the conference. That's our 10th Anniversary National Conference, which will be held in Orlando, Florida from June 29th to July 1st.

Steve McLaine: Is that -- I hear there's a commercial going on for the conference. Is there going to be a special session for this particular topic?

Steve McLaine: Yes, there will be a general session specifically regarding center classification to provide additional information, and we will provide samples of the plaques and awards that will be provided at the different levels of operation for the centers.

Confirmation # 1246002 Page 24

Michele Higgs: And you just touched on another question, Steve, that's what I was thinking, you had

mentioned incentives for centers. Would you go back over that again? Because you just talked

about the plaques, and what not, you know, that would be available. Would you outline that again

for us?

Steve McLaine: Well there will be different rewards that are available for the centers. We will have -- as

mentioned, we will have special plaques for certified level, and special awards for the model level

that centers can display in their centers to indicate to visitors and users that they are a model

center, or a certified center.

There will also be other incentives that will be available, you have the opportunity to be

highlighted in our -- in the Neighborhood Networks newsletters, the opportunity to be recognized

in special events during Neighborhood Networks Week, opportunity to host special Neighborhood

Networks events at your center, maybe we can actually have the national director visit your

center--quite an honor--different levels of centers will have the opportunity to serve at special pilot

projects across the country. We wanted to make sure that all centers are linked to the

opportunities that we provide, this is not an exclusionary measure, but designed to reward those

centers that are performing above and beyond the norm. And so there will be some special

opportunities for the advanced levels of centers, and as that -- as we develop the materials, we

will highlight what -- exactly what is available to all centers.

Michele Higgs: Okay. And there was another point that you mentioned, you know, when you spoke

earlier, and that was, you know, the center's identity that comes to centers as part of a successful

nationwide effort, you know, a national initiative to be recognized as a distinguished part of that

initiative is high praise indeed, and something to be attained, and something to be striven for. So

now that I've done my commercial, Jake, are there any other folks online?

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 25

Operator: Yes, you have two more questions. Deb Lang with St. James Manor.

Michele Higgs: Thanks, Steve.

Deb Lang: Hi, I have a question. You know, I'm hearing kind of I think I have a frustration that maybe

some other folks have, which is that I've started the S.T.A.R.T., but I haven't finished the

S.T.A.R.T. And so I'm wondering why you're telling people to call the 800 number, I know you

can't throw these conference calls, you know, together in 24 hours. But would there be some

benefit to maybe having a conference call that is informational regarding just completing the

S.T.A.R.T. program itself?

Michele Higgs: Well ...

Steve McLaine: Well I mean that -- there would certainly be merit in that we try to provide different

opportunities individually, where the -- through the toll free line you can call and set up specific

appointments where our staff will work with you directly, and even help you input the information

into S.T.A.R.T. for you, but we are looking to do that. At the conference, there will be sessions

discussing S.T.A.R.T., and providing helpful opportunities. We've also had recently begun e-

mailing teasers and tips about S.T.A.R.T. that can provide different incentives, and helpful tips in

aiding centers to complete S.T.A.R.T. That's always at the forefront of everything that we're

doing. So we -- and we've received a great increase in the volume of calls to the toll free line

regarding S.T.A.R.T., and so we hope that will continue.

Deb Lang: Okay.

Michele Higgs: Anyone else, Jake? Does that answer that question?

Operator: And a question from George Gilmore with HUD.

Confirmation # 1246002 Page 26

Michele Higgs: Okay.

George Gilmore: Hello, everybody. I -- first of all I had a comment, like to commend all of you for the

hard work that you've done in setting up these different designations, I know that's a lot of -- a lot

of hard work, and actually I think we started discussing this at the mini-conference that was in

Chicago a couple of years ago. But I do have a couple of questions. With regards to the level

three designations, who's going to be responsible for verifying certain documents? For example,

standard five requires partnership agreements, who's going to be -- who's going to be responsible

for verifying those documents?

And I think it's level six that requires submitted proposals for funding. And my other question is,

there are many of us, and myself is included in this unfortunately, who do not have funds to

attend the upcoming 10th Anniversary Conference. Has there been any thought to perhaps

having a Web cast for HUD -- for HUD Coordinators so that they can get first hand information if

they're not able to attend the conference?

Steve McLaine: Well, George, first of all thank you for asking, and definitely I remember you being

involved at the start of this process, so it's good to hear that you are still interested, and we

appreciate all of your efforts thus far working with the process. In terms of the -- your initial

question, the coordinators are going to play a large role in verifying the applications and the

documentation required for the model centers. We feel like they have the best opportunity to

work with those centers directly, and have a sense of whether they are truly deserving of that

model status.

And also to be able to assist them in strengthening their application if necessary. In terms of your

second question, we are looking to do a follow-up conference call for HUD coordinators at a later

date based on some of the conference calls that our staff provides specifically for HUD

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 27

Coordinators, and there will be a section specifically on center classification, so we will follow up

for those coordinators who are unable to attend the conference, or were unable to participate in

this conference call today.

George Gilmore: Okay. Thank you, Steve.

Steve McLaine: Sure.

Operator: Now, Cathy Coney-Sanders with U.S. HUD has a question.

Cathy Coney-Sanders: Hi.

Vickie Schachter: Hi, Cathy.

Michele Higgs: You're still there?

Cathy Coney-Sanders: Yes. I was -- I have a question with regard to the center classification. The

Neighborhood Networks centers that, you know, are currently operating without a business plan

on S.T.A.R.T., how would one determine the designation for that center?

Vickie Schachter: Well they're going to automatically be a level one center, if they don't have a

S.T.A.R.T. business plan. Everyone is going to start off; everyone's going to begin as a level one

designated center. As long as they are operational.

Cathy Coney-Sanders: As long as they are operational.

Vickie Schachter: That's correct.

Confirmation # 1246002 Page 28

Cathy Coney-Sanders: Okay.

Vickie Schachter: All right, but -- you cannot advance beyond level one unless you do your business

plan on S.T.A.R.T. So ...

Cathy Coney-Sanders: Okay.

Vickie Schachter: So, for your centers that only have paper business plans, for your centers that only

have paper business plans, it's time for them to do a S.T.A.R.T. business plan.

Cathy Coney-Sanders: I will -- I'll definitely encourage them to do so, but I was just wondering, because

now we're not only suggesting to the owner and its management to create a center without funds,

however, we're also talking about different classification levels. And, you know, that's a role --

that's an additional role, too, that a coordinator will play out in the field to encourage classification,

and, of course, I can also be creative and throw in the process of having the centers serve, you

know, with initiative -- incentives, I'm sorry, incentives. Thank you.

Vickie Schachter: Yes. And that would be great.

Steve McLaine: We -- I mean we certainly understand the level of effort that's required for HUD

Coordinators across the country, and so we are fully willing and able to assist your centers with

completing S.T.A.R.T. business plans. We have reached out to many centers, and again are

always available for you, the toll free hotline to assist with S.T.A.R.T. centers. If you know a

center that you're interested in funneling towards the advanced levels, feel free to put a list

together and give us a call, and we'll be more than happy to contact them and walk them through

the S.T.A.R.T. process.

Operator: And now a question from Orlando Lorie, HUD.

Page 29

Orlando Lorie: Hi, I have a question on the link between the HUD Coordinator and the HUD project

manager for some of these projects. Is there a process where you're actually linking both so they

can work together?

Michele Higgs: Hello?

Orlando Lorie: Yes.

Michele Higgs: I'm just trying to find out -- get that question once again.

Orlando Lorie: Is there a process to link the HUD Coordinator with the HUD project manager for some

of these properties that are now -- that are in the process of being approved level one on the

negative -- I mean Neighborhood Network centers?

Michele Higgs: So you're saying link the coordinator and the project manager. What exactly do you

mean?

Orlando Lorie: Sometimes a HUD Coordinator may not be a multi-family employee, and maybe like

myself an FPM Is there some guidance on that?

Steve McLaine: I'm not sure if I'm answering your question correctly, but there's no requirement that the

HUD Coordinator has to be a multifamily affiliated employee, that ...

Orlando Lorie: I know that, but the question is that there has to be some kind of link between what the

coordinator the -- and the project manager for that particular project is working together. I mean

there may be a business plan that is already, or there may be a site visit already, or technical

assistant in that project that the coordinator may not be aware of.

Confirmation # 1246002 Page 30

Michele Higgs: Orlando, I'm trying to get to what you're trying to ask. Because in any case if there's -- if

there's someone on site working with that property, the HUD Coordinator should know about it. If

there is an issue of, you know, working with a center remotely by phone, ordinarily that's done

through that toll free number. But if there's someone on site coming to see you as the HUD

Coordinator, or coming to see that site working with that property manager, The HUD Coordinator

should be advised of that, so there shouldn't be a case where there's something going on in your

neck of the woods that you don't know about.

Orlando Lorie: Okay, thank you.

Sylvia Benavides: Orlando?

Orlando Lorie: Yes.

Sylvia Benavides: This is Sylvia. How are you?

Orlando Lorie: Hi, Sylvia. How are you?

Sylvia Benavides: Good. I don't know if that was clear to you, I think you were trying to find out if the

project manager that is managing that property is being informed -- or is providing information on

that center to the HUD Coordinator, right?

Orlando Lorie: Right, that's -- yes, you're on target.

Sylvia Benavides: Right. So what other HUD Coordinators do is that they discuss the center status,

and any information that's going on with the center. They get together and discuss that, and also

for example is the center is working on their S.T.A.R.T. business plan, and you know, they have a

Page 31

project manager that is not the HUD Coordinator, that needs to review the business plan, then the

project manager is -- works with the HUD Coordinator and get that reviewed and approved.

Orlando Lorie: Right. And my question, how do you link the two? And that's the link that I was ...

Sarah Richey-Johnson: Orlando?

Orlando Lorie: Yes.

Sarah Richey-Johnson: This is Sarah. If you need to identify who the project manager is for the

Neighborhood Networks center ...

Orlando Lorie: Yes.

Sarah Richey-Johnson: ... can go into REMS, and REMS will tell you the -- who is -- who all is assigned

to that property.

Orlando Lorie: Okay.

Sarah Richey-Johnson: Okay?

Orlando Lorie: Thank you.

Sarah Richey-Johnson: You're welcome.

Michele Higgs: We may not have gotten the right spin on that.

Operator: We have some input from Mary Frances Byrd.

05-24-05/2:00 p.m. CT Confirmation # 1246002

Page 32

Mary Frances Byrd: Well I know early on, you know, '95, '96, 'and 97, it's always been if there's

approval of HUD funds, it's the responsibility of the project manager. So you really need to get

closely connected with any project manager that is working with and interested in Neighborhood

Networks, and like I'm working right now with Joyce Young and Terence Cannon, different ones.

But mostly the approval of the HUD fund -- the HUD coordinator historically cannot approve that.

Steve McLaine: Thank you, Mary.

Michele Higgs: Good. Thank you, Mary Frances. Anyone else on queue?

Operator: There is no one left in the queue at this point.

Michele Higgs: Okay. Well folks, it looks like we've come to the end of yet another conference call.

We're right at the point of 4:00 in the afternoon, and since there are no other questions online, I'd

just like to thank you for joining us this afternoon. And since we've talked a lot about the toll free

line, I want to remind you of what that is, and that's the Neighborhood Network information line,

and that's (888) 312-2743, and if you need the Web site, that's www.NeighborhoodNetworks.org.

I think we've had a lively and informative discussion this afternoon, and I thank you so much for

joining us in the conversation.

I'm going to remind you once again that our 10th anniversary Neighborhood Networks national

training conference is going to take place June 29th through July 1st at Lake Buena Vista, Florida.

And our next conference call will occur on Tuesday, June 21st, on the topic of serving diverse

populations.

Page 33

Thank you to the program development team, thank you, Delores, thank you, Sarah, thank you to

all of our participants. I hope you will join us for the next call. I thank you for joining us today.

Take good care.

Delores Pruden: Michele?

Michele Higgs: Yes, ma'am.

Delores Pruden: Can I add one thing? Thank you for talking about the conference, but people need to

know that the deadline for making hotel reservations is June 7th.

Michele Higgs: Okay.

Delores Pruden: That's the time that -- after that time, the hotel will not give us the reduction for the

rooms.

Michele Higgs: Okay, so you won't get the rate after June 7th.

Delores Pruden: Exactly.

Michele Higgs: Okay, June 7th is your deadline, everyone, for making your reservations in the hotel.

Thanks, Delores.

Delores Pruden: Thank you. Thank everybody for joining us today.

Operator: And that does conclude your conference for today. Have a wonderful afternoon.

END